

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLENE N. CLEMONS

COMPLAINANT

VS.

LOUISVILLE GAS & ELECTRIC COMPANY

DEFENDANT

CASE NO. 93-372

O R D E R

On October 5, 1993, Ms. Allene N. Clemons filed a complaint with the Commission alleging that Louisville Gas & Electric Company ("LG&E") had overbilled her for a period of 30 or more years because it had incorrect information about her customer classification. From the record it appears that the incident arose from LG&E's use of a rate multiplier for a multi-family dwelling for Ms. Clemons' bill.

The tariff in effect throughout the period in question states:

"In those cases where such segregation of wiring would involve undue expense to the customer, the Company will allow service to two or more families to be taken through one meter, but in this event the energy blocks and minimum bills of the residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building."

Sheet 25 from Rules and Regulations Governing the Supply of Electric Service, paragraph 1.

When Ms. Clemons initiated service at the residence in question, her dwelling contained two kitchens. She now alleges

that approximately 30 years ago her family removed the second kitchen from the dwelling and that at that time her bill should have been reduced. There is no record of contact by her or any member of her family with LG&E to report the removal of the kitchen nor any record that LG&E inspected the home to verify the classification of service was accurate throughout that 30 year period.

In an effort to resolve the complaint, LG&E has paid Ms. Clemons an amount representing five years' additional payments due to the multiplier. Ms. Clemons now seeks payment for 30 years of the application of the multiplier. In its answer, LG&E asserts that it possesses no records that Ms. Clemons ever informed LG&E that her residence no longer had a second kitchen and that it is the customer's responsibility to inform LG&E of any change that would produce a different rate classification. LG&E also notes that the classification of multiple-residential service is not indicated on a customer bill.

The issue presented to this Commission involves the exchange of information between the customer to be served and the utility providing service. 807 KAR 5:006, Section 4(3), states that the utility shall inform each applicant for service of each type, class and character of service available at his location. Thus, utilities are required by Commission regulation to obtain sufficient information from applicants for service to determine all types of service available to that applicant.

Additionally, 807 KAR 5:006, Section 6(1), states that:

Each bill for utility service issued periodically by a utility shall clearly show the following, if applicable: class of service; present and last preceding meter readings; date of the present reading; number of units consumed; meter constant, if any; net amount of service rendered; all taxes; any adjustments; and the gross amount of the bill. The date after which a penalty may apply to the gross amount shall be indicated. Estimated or calculated bills shall be distinctly marked as such. The rate schedule under which the bill is computed shall be furnished under one (1) of the following methods:

- (a) By printing it on the bill.
- (b) By publishing it in a newspaper of general circulation once each year.
- (c) By mailing it to each customer once each year.
- (d) By providing a place on each bill where a customer may indicate his desire for a copy of the applicable rates. The utility shall mail the customer a copy by return first class mail.

The question here relates to the existence of a continuing duty on the part of a utility and the customer to exchange information adequate to determine the appropriate tariffed rates applicable to the customer.

Further, at issue is the impact of 807 KAR 5:006, Section 10(2), requiring a utility to readjust a customer's account under certain circumstances. That regulation states, in part:

"If test results on a customer's meter show an average error greater than two percent (2%) fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the utility shall immediately determine the period during which the error has existed, and shall recompute and adjust the customer's bill to either provide a refund to the customer or collect an additional amount of revenue from the underbilled customer." (emphasis added)

The facts presented in the record to date indicate that Ms. Clemons is complaining about the practice of LG&E related to her classification of service and that such practice may be insufficient to provide adequate service. Pursuant to KRS 278.260 the Commission has jurisdiction over such complaints. No order affecting the rates or services complained of, however, shall be entered by the Commission without a formal public hearing.

Accordingly, the Commission HEREBY ORDERS that:

1. A public hearing has been scheduled on August 9, 1994, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

2. Both parties shall, on or before July 22, 1994, serve upon the other parties a written summary of the testimony of those witnesses which it expects to call at the formal hearing, copies of all exhibits to be introduced at the hearing, and all preliminary motions and objections, except objections to exhibits. All exhibits shall be appropriately marked.

3. LG&E shall include in its written summary of testimony all tariff references in support of its position.

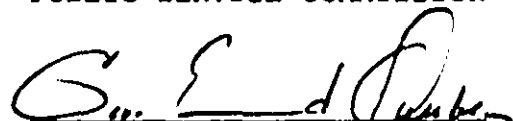
4. Copies of all documents served upon any party shall be served on all other parties and filed with the Commission.

Done at Frankfort, Kentucky, this 23rd day of June, 1994.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


For the Commission